

## **REQUIREMENTS FOR ACCESSING MULTIPLIER MAXIMUM COUNTRY ALLOCATIONS**

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**Recommended by:** Grants and Performance Committee

**Board Policy Reference:** BOD/2017/03-06–Financing and Funding Framework

### **1. Objective**

1.1 The purpose of this document is to request Board approval of a delegation of authority to the Grants and Performance Committee to adjust the applicability of the requirements to applications for Multiplier funds.

### **2. Recommended Decision**

The Grants and Performance Committee recommends Board approval of the following decision:

**BOD/2019/06-XX—Requirements for Accessing a Multiplier MCA:** The Board of Directors in reference to BOD/2017/03-06–Financing and Funding Framework:

1. Recalls that the purpose of the Multiplier funding mechanism is to improve prospects for co-financing and to leverage additional resources for the education sector.
2. Requests the Grants and Performance Committee (GPC) to analyse transaction costs associated with the funding model requirements that affect or undermine countries' ability to access a maximum country allocation from the Multiplier and secure associated co-financing.
3. Based on the analysis, delegates authority to the GPC to make any adjustments to the applicability of the requirements to applications for Multiplier funds while ensuring that applications reflect the funding model dimensions of equity, efficiency and learning outcomes and government commitment to education. This delegation does not include changes to eligibility or allocations, or to requirements of additionality, co-financing and debt sustainability.

### 3. Background

3.1 Grant applications for GPE Multiplier funds must: 1) meet the GPE funding model requirements on domestic financing, data and a credible education sector plan and a 30 percent results-based variable part<sup>1</sup>; 2) show additionality and co-financing from external sources of at least US\$3 for every US\$1 of GPE grant funds, with due consideration for debt sustainability.

3.2 This external co-financing is typically available for a limited period. In many cases, the Multiplier grant must be approved for the country to receive the co-financing. As a result, countries must meet the funding model requirements, design the grant program—including a variable part if the allocation is over US\$10 million—and submit the application to access the MCAM before the availability of the co-financing commitment ends.

3.3 Lessons learned from countries applying for Multiplier grants indicate that the time it takes to meet the [funding model requirements](#) and apply for the funds available can jeopardize the co-financing secured, which is usually reserved for a limited period. This may result in the country not meeting the 3:1 co-financing requirement and as such not being able to access the Multiplier funds. Having an external timeline dictate the timing of the application for the Multiplier grant is particularly challenging for meeting the ESP requirement. In addition to the issue of feasibility, expecting countries to accommodate short external timelines in their sector planning process can undermine existing country-owned planning mechanisms and processes.

3.4 The GPC endorsed the review of the funding model requirements at large in the context of the development of the next strategic plan. However, noting that US\$111 million of the US\$300 million earmarked for the Multiplier for the 2018-2020 period has been committed through the Expression of Interest (EOI) process—a clear indication of early traction-- the Committee also recognized the risk that the full value of the Multiplier funds available may not be committed by end-calendar 2020.

3.5 As June 2019 represents the halfway point in implementing the Multiplier, the GPC considered that it is an opportune moment to refine and streamline the Multiplier's operating framework to facilitate commitment and disbursement of resources by minimizing transaction costs, building on lessons learned from the 13 EOIs approved (out of 14 submitted).

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<sup>1</sup> The Board decided in June 2018 that ESPIGs and Multipliers up to US\$5 million can choose whether to include a variable part or not.

3.6 The Committee emphasized that any resulting adjustments to the requirements for applying for a Multiplier grant would not weaken the funding model principles of equity, efficiency and learning. Further, any adjustments would not affect eligibility (which countries can access the Multiplier) or allocations (the maximum grant size available to eligible countries).